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THE NEW LEVEL OF INDUSTRY IN DAGESTAN

-USSR-

By A. Viktorov

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FOREWORD

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THE NEW LEVEL OF INDUSTRY IN DAGESTAN

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REORGANIZATION OF THE INDUSTRIAL AND BUILDING ADMINISTRATION OF THE REPUBLIC

An event of great political and economic significance occurred in the life of our country. In accordance with the February Plenum of the Central Committee CPSU and the 7th Session of the Supreme Soviet USSR a radical reorganization of the administration of industry and building was carried out. The necessity for such a reorganization was brought about by the fact that the system of administration of enterprises and construction projects through branch ministries and agencies failed to respond to the new requirements and had a negative influence on the development of industry and construction.

The essence of the reorganization consisted in a transfer of the administration of the national economy from branch ministries and agencies to a system of administration based on the territorial principle. As a result of the reorganization the bulk of duties pertaining to operational industrial and building administration is transferred to a local level, closer to the enterprises and construction sites. The National Economic Councils which were established in the economic administrative rayons became the organization form of the new system of administration.

Under the new system of industrial and building administration the economic administrative rayons are the basis of territorial administration of the economy. A form of territorial economic complex with specific internal production association and specialization in the All-Union or republican economy is understood to be an economic administrative rayon.

The Council of National Economy administers the economy of the economic administrative rayon, and represents a board type of administrative organ, closely associated with the enterprises and construction projects.

The system of administering industry and building on a territorial basis through the Councils of National Economy fully corresponds to the tasks pertaining to the "development of the national economy of the USSR during the present stage, to the interests of a further consolidation of the economic might of the country and to a steady rise in the welfare of the Soviet people," as pointed out in the law "Pertaining to the Further Perfection in the Organization of the Administration of Industry and Construction," adopted by the 7th Session of the Supreme Soviet USSR in May of 1957.

By granting more comprehensive powers to the local organs, the system of administration according to the territorial principle is

also conducive to the development of democratic centralism in economic administration. Under the new system the concrete and operative administration on a local level, in the economic administrative rayons, is tied in closer with an adherence to central planning management on a national scale.

The formation of the Councils of National Economy reflected favorably on all our industrial activities: it brought management closer to the enterprises and construction projects, it created a possibility to widely utilize the locally available reserves for the expansion of industrial production, it eliminated inter-agency barriers, which considerably complicated the operative solution of many important problems pertaining to the comprehensive development of the economy in the economic rayons.

The control figures for the development of the national economy of the USSR for 1959-1965, which were adopted by the 21st Congress CPSU on 5 February 1959, give a high valuation of the results yielded by the administrative reorganization in industry and construction in our country: "The most important factor accelerating the development of the national economy was the reorganization of the system of administering industry and construction. Over the short period of time since the sovnarkhozes started their operations, the considerable advantages of the new form of administration of industry became quite apparent. The rate of industrial production growth became considerably better, the utilization of internal production reserves became more comprehensive, the initiative and activity of the workers' class and the engineering-technical cadres became more pronounced, socialist competition for the fulfillment of the state plan acquired an even greater scope." / See Note. /

/ Note. / Kontrol'nyye Tsifry Razvitiya Narodnogo Khozyaystva SSSR na 1959-1965 (Control Figures for the Development of the National Economy for 1959-1965), State Publishing House for Political Literature, 1959, pages 12-13.

The reorganization had a profound positive effect on the development of industry and building in Dagestan. The formation of the Dagestan administrative economic rayon and the creation of a Council of National Economy considerably expanded the powers of the local organizations in the management of economic construction; it also permitted the resolution of many problems pertaining to the economic development of the republic.

N.S. Khrushchev, in his report to the 7th Session of the Supreme Soviet USSR, stressed the great significance of the reorganization of the administration of the economy and building with respect to an expansion in the powers of the national republics in the management of economic construction; he pointed out that "an expansion in the powers of the republics, as well as in those of the local party, soviet organs, and of the krays and oblasts will permit a better consideration of their geographic, economic and national conditions; it will also permit a more rapid and accurate solution of problems pertaining to a comprehensive economic development of each

economic rayon. This will reflect favorably on the economy of every republic individually and on that of the country as a whole." / See Note. /

/ Note / Khrushchev, N.S., O Dal'neyshem Sovershenstvovanii Organizatsii Upravleniya Promyshlennost'yu i Stroitel'stvom. Doklad na VII Sessii Verkhovnogo Soveta SSSR. (Regarding the Further Perfection in the Organization of Industrial and Building Administration. A Report at the 7th Session of the Supreme Soviet USSR), State Publishing House for Political Literature, 1957, page 50.

Formerly, prior to the reorganization in the administration of industry and building, the enterprises and building projects, situated on the territory of the Dagestan ASSR were under the jurisdiction of numerous ministries and agencies. Jurisdictionally industry was formerly divided into four groups: union, union-republican, republican and local.

The larger enterprises of heavy industry--oil and gas fields, rayon electric power plants, and machine building plants--were under the jurisdiction of seven union ministries. Enterprises of the glass, wood working, textile, light, fish, canning, distilling and meat-dairy industries were under the jurisdiction of seven union-republican ministries. Enterprises engaged in the production of metal products for the population, furniture factories, wood products plants, sewing and knitting workshops were included in the system of two republican (RSFSR) ministries of local and fuel industry.

It must be noted that all the enterprises of the local and fuel industry, as well as some of the enterprises of the building materials industry, the light industry and the food industry, which at the present time are amalgamated under the local ministries and administrations, were formerly under double jurisdiction. On the one hand they were under the direct jurisdiction of the Council of Ministers Dagestan ASSR and on the other hand (with respect to material-technical supplies, technical management, etc.), they were under the jurisdiction of the union-republican and republican (RSFSR) ministries.

Such a multiple jurisdiction reflected negatively on the administration of industrial enterprises and building projects located in Dagestan; it created inter-agency barriers, which interfered with proper economic ties between homogeneous enterprises that were frequently located in the same city or rayon; it also complicated the resolution of many important problems pertaining to the comprehensive development of industry.

That type of administration had a particularly negative effect on the work of the enterprises engaged in the production of food (fish, canning, meat), which were tied closely together as they supplied each other with raw materials and semi-finished products.

The administrative barriers also considerably complicated the solution of many important problems pertaining to the full utilization of available capacities and raw material resources for the

development of branches of heavy industry at Dagestan: power supply, machine building, chemical, glass industry, and the production of building materials.

The formation of a Council of National Economy of the Dagestan economic administrative region, which was delegated with full powers and comprehensive rights, will not only eliminate deficiencies in the administration of industry and building, but will also serve to develop these branches farther, which was of great assistance to Dagestan in the rise of its economy and culture.

Comrade A.D. Danilov, First Secretary of the Dagestan Oblast Committee CPSU, appearing at a session of the Council of National Economy in July of 1957 stated: "We must regard the formation of the Council of National Economy of the Dagestan economic rayon as a manifestation of great concern and trust on behalf of the party and of the government for our republic. The best cadres were picked for the Council of National Economy; a possibility was created for a calm businesslike discussion of the complex, properly oriented development of the productive forces of the republic." / See Note. /

/ Note / Dagestanskaya Pravda (The Dagestan Truth), 16 June 1957, No. 140.

Over a comparatively short period of time that has elapsed since its organization, the Dagestan Council of National Economy accomplished a considerable amount of work in the adjustment of normal productive relationships among the enterprises, a more rational utilization of the resources which are available at the enterprises of the economic rayon; it introduced new capacities and so on. All this was conducive to an improvement in the work of the industrial enterprises and building projects and to a rise in the level of their productivity. This work is indicative of the organization, the tasks and of a certain amount of experience acquired by the Council of National Economy of the Dagestan economic administrative rayon.

Let us briefly acquaint ourselves with the organizational structure, the duties and powers of the Council of National Economy.

Under the new organization of the administration of industry and building on the territory of the Dagestan ASSR there are only two jurisdictional forms for the enterprises and building projects: (1) Union-republican industry, which almost in its entirety comes under the jurisdiction of the Council of National Economy, and (2) local industry, which is under the direct jurisdiction of the Council of Ministers Dagestan ASSR.

The Council of National Economy at the present time is the basic organizational form of state administration of industry under union-republican administration, which is located within the Dagestan economic administrative rayon.

With the establishment of the Council of National Economy in June of 1957 three quarters of the industry located on the territory of the republic was transferred under its jurisdiction. It was placed in charge of all the machine building plants, large electric power plants, oil and gas fields, textile factories, enterprises of the

fish, canning, viniculture, meat and dairy industries as well as a majority of the building organizations and sovkhoses. In 1959 approximately 100 industrial enterprises were under the jurisdiction of the Council of National Economy, as well as some 24 sovkhoses, five building administrations and over 30 other economic organizations. All of these enterprises and organizations employed over 50 thousand industrial, professional and office workers.

Nine branch administrations and one building trust were organized in the Council of National Economy. / See Note. /

/ Note / Prior to March 1959 enterprises of the light and food industries of the Council of National Economy were under the jurisdiction of six trusts: the fish, canning, viniculture, meat, creamery and the light industry trust. In order to improve the management of the enterprises and construction projects the trusts were liquidated and five branch administrations were established instead.

Administration of electric power plants and electric power networks--the Dagenergo administration.

Administration of the metalworking industry.

Administration of building materials industry.

Administration of light industry.

Administration of the fish industry.

Administration of the viniculture industry.

Administration of the canning industry.

Administration of the meat and dairy industry.

The building-installation trust--Dagpromstroy.

The central apparatus of the Council of National Economy consists of 10 functional departments:

Production-Technical

Economic Planning

Chief Mechanics and Chief Power Engineers

Capital Construction

Transportation

Agriculture and Procurement

Labor, Wages and Cadres

Finances

Main Accounting Office

Administrative Economic

In addition to the departments the Council of National Economy also contains other functional sub-divisions and economic organizations:

Administration of Material-Technical Supplies and Sales

Maritime Inspection and Port Supervision

Sanitary Inspection

Design Office--Dagpromproyekt.

In order to train the cadres of specialists the Council of National Economy has three technical schools: of the mechanical, building and food industries.

STRUCTURE OF THE COUNCIL OF NATIONAL ECONOMY OF THE DAGESTAN ECONOMIC ADMINISTRATIVE RAYON

"Dagneft" (Dagestan Oil) Administration

"Dagenergo" (Dagestan Power) Administration

Administration of the Metalworking Industry

Administration of the Building Materials Industry

Administration of Material-Technical Supplies and Sales

Administration of Light Industry

Administration of the Fish Industry

Administration of the Canning Industry

Administration of the Viniculture Industry

Administration of the Meat and Dairy Industry

"Dagpromstroy" (Dagestan Building-Installation Trust) Administration

Production-technical Department

Economic Planning Department

Chief Mechanic's & Chief Power Engineer's Department

Department of Capital Construction

Department of Agriculture and Procurement

Department of Labor, Wages and Cadres

Department of Transportation

Department of Finances

Main Accounting Office

Administrative-Economic Department

Maritime Inspection and Port Supervision

Sanitary Inspection

Technical-Economic Council

FUNCTIONAL SUBDIVISIONS

The Council of National Economy

Design Office "Dagpromproyekt"

BRANCH ADMINISTRATIONS AND TRUSTS

The Council of National Economy of the Dagestan economic administrative rayon is under the direct jurisdiction of the Council of Ministers RSFSR and coordinates its work with other Councils of National Economy through the State Planning Commission RSFSR. That, however, does not mean that the Council of National Economy is isolated from the local party and soviet organizations. Quite on the contrary, with the organization of the Council it became possible to effect a more operative form of administration and control by them of the work accomplished by industry and construction. One of the forms of such control are the reports made by the Council of National Economy to the Council of Ministers Dagestan ASSR regarding the economic activities of the enterprises and organizations under the jurisdiction of the Council of National Economy.

In our practical work the Council is guided by the "Situation Pertaining to the Council of National Economy of the Economic Administrative Rayon," which was adopted by the Council of Ministers USSR on 26 September 1957.

The Council of National Economy enjoys rights that formerly belonged to the union ministries, which creates favorable conditions and broad possibilities for its activity. It adopts resolutions and directives, which may be revoked only by the Council of Ministers RSFSR.

The most important duties of the Council of National Economy, which are specified in the "Situation," are: the conduct of production-technical direction of the enterprises and organizations, which are under the jurisdiction of the Council; the development and realization of prospective and current production and capital investment plans as well as the organization of material-technical supply and sales.

The principal creed of the Council of National Economy in all of its activities is primarily the satisfaction of national needs, the satisfaction of cooperative purveyance by the enterprises and organizations, particularly with respect to purveyance to other economic rayons and for export. If these obligations are not fulfilled the enterprises and Council of National Economy plans are not considered to have been fulfilled.

In order to attain better organization and a rise in industrial production the Council of National Economy is delegated with the task of raising the technical level of the enterprises, the development and realization of measures for the implementation of new techniques and advanced technology, the mechanization and automation of production, the implementation of inventions and technical perfections at the enterprises, as well as the conduct of measures designed to introduce new and maximum utilization of the existing production capacities.

In planning industrial production the Council of National Economy must stipulate a comprehensive development of all of its branches, as well as an establishment of more rational economic ties between the

enterprises within its own rayon, as well as with enterprises located in other economic rayons.

The Council of National Economy must systematically improve the organization of production, develop and introduce measures for the realization of rhythmic work by the enterprises, improve the productivity of labor, increase output, improve the quality and increase the variety of the products; it must introduce measures for an economy of raw material, fuel, and materials as well as for a decrease in the cost of production.

With respect to labor and cadres the Council of National Economy is delegated with the task of assuring adequate management and control over the proper organization and remuneration of the workers, engineering-technical workers and employees, with the task of establishing technical norms and enforcing compliance with labor legislation as well as with the realization of measures in safety and protection of labor.

The resolutions and directives of the Council of National Economy pertaining to basic problems of labor and wages, as well as those pertaining to the problems of labor protection and cultural-communal services for the industrial, professional and office workers are adopted as proposed or with a consideration of suggestions made by the Dagestan trade union councils.

The Council of National Economy is occupied with the selection and distribution of directors and engineering-technical workers; it conducts measures for the provision of the enterprises and organizations with permanent cadres; it concerns itself with raising their skill levels and assuring that their skills are used properly. Along with the trade union organs the Council of National Economy disseminates the experience acquired by progressive production workers as well as other forms of socialist competition at the enterprises.

The Council of National Economy simultaneously conducts measures for the perfection of the administrative apparatus, the simplification of the structure and a curtailment of extra expenditures for the maintenance of such an apparatus; it organizes a struggle for the consolidation of state discipline at the enterprises and in the organizations under the jurisdiction of the Council of National Economy.

With respect to the management of the economic-financial activities of the enterprises and construction projects the Council of National Economy exercises control in order to assure the observance of financial-appropriation discipline; it conducts measures designed to raise the level of profitableness of production, and the consolidation and development of the system of economic accountability. It examines and adopts accounting reports and balance statements for the various enterprises and organizations and conducts documentary revisions of their activities.

Beside managing the segment of the economy that is under its jurisdiction the Council of National Economy participates extensively in measures conducted on a centralized basis: it develops and presents for governmental approval standardized designs and technical

conditions, retail and wholesale prices, norms for the expenditure of raw materials and equipment used by the enterprises under the jurisdiction of the Council of National Economy.

In order to carry out the enumerated duties the Council of National Economy according to the same "Situation" possesses broad powers. The Council of National Economy adopts, and if necessary changes, the production assignments, capital investments and other indices for the enterprises and organizations under its jurisdiction, within the limits of plan assignments, established by the Council of Ministers RSFSR or by the State Planning Committee RSFSR. It has also been delegated with the power to maintain control over the size of the labor pool reserve, wage funds, capital investments, materials and equipment within the limits and funds designated for the Council of National Economy.

In the field of capital construction the Council of National Economy was granted the power to adopt and to alter design assignments having generalized budgetary allowance figures for the construction of projects having a special national economic significance; the design assignments for such projects are specified by the government.

The Council of National Economy is a sovereign master of all material resources, with a right of freely distributing and re-distributing raw material, fuel, materials, equipment, machinery and means of transportation among the enterprises.

Considerable powers have also been delegated to the Council of National Economy in the matter of financing, labor and wages. It re-distributes turnover funds among the enterprises and organizations and establishes norms for these funds, it adopts financial plans, establishes the structure, designates the administrative-management personnel staff and the rates of pay for the workers from enterprises, organizations and institutions under the jurisdiction of the Council of National Economy. It has the right to create, liquidate and to reorganize enterprises, building organizations, educational combines and courses designed to raise the workers' skill levels within the limits of the labor plan adopted for the Council of National Economy, and so on.

One of the great advantages of the new system of administering industry and construction is the possibility of a broader participation by the party and soviet organs as well as by the workers themselves in addition to scientific and other organizations in the management on a local level.

The technical-economic council created with the Council of National Economy in the Dagestan economic administrative rayon as well as in other economic rayons is an organizational method of drawing workers into administration. This consultative organ includes the leading workers and specialists from enterprises and organizations of the Council of National Economy, innovators and progressive workers, directors of party, soviet and trade union organizations, workers of the Dagestan affiliate of the Academy of

Sciences USSR and from other scientific-research institutions and educational establishments of the republic.

At the present time the technical-economic council amalgamates only 210 persons. The council includes nine sections from:

The metal working and machine building industry;

The power industry;

The building and building materials industries;

The oil and chemical industries;

The light industry;

The viniculture industry;

The fish industry;

The canning industry;

The meat-dairy industry.

The technical-economic council guides its work by the "Situation" adopted by the Council of National Economy on 7 January 1958.

In order to attain a widespread dissemination of experiences gained by the work of the enterprises and of progressive methods of labor, the Council of National Economy publishes a bulletin of technical-economic information.

Even though the Council of National Economy is the basic form of administering industry and building under the union-republican jurisdiction, there still remained some enterprises on the territory of the Dagestan economic administrative rayon which preserved their former jurisdictional position. These enterprises are mostly under the jurisdiction of the non-industrial ministries. They include the ship repair plant of the Caspian steamship company of the Ministry of the Maritime Fleet, mills of the Dagestan Administration of the Ministry of Grain Products RSFSR and certain other enterprises which account for an insignificant share of the general volume of production.

The local industry, which is under the jurisdiction of the Council of Ministers Dagestan ASSR, with the exception of two enterprises, transferred to the sovnarkhoz, did not change in their composition after the establishment of the Council of National Economy. The organizational structure of this industry also remained virtually unchanged. Enterprises of the local industry at the present time are under the jurisdiction of the ministries of local industry, food commodity industry and under the jurisdiction administration of industrial building materials with the Councils of Ministers Dagestan ASSR.

It must be noted that the administrative structure of the local industry that exists at the present time in Dagestan, even though it did undergo certain changes, still fails to respond to the present requirements of operational direction of the enterprises and building projects. The existence of three independent ministries and administrations for the direction of a comparatively small number of enterprises is not economically justifiable. It would apparently be better to subordinate all the enterprises of the local industry under a single ministry or administration of local industry with a small but skilled staff of specialists. With such a reorganization in the

direction of the local industry it would be feasible to specialize it further in the manufacture of specific products for the local population.

In characterizing the new administrative system the necessity of coordination between the work of the Council of National Economy and that of the enterprises of local jurisdiction must be stressed. Even though the Council of National Economy carries out direct management of only the union-republican industry and building, the matter of a comprehensive development of the economy of the economic rayon demands a coordinated development of many of its branches regardless of their jurisdictional position. This applies to the resolution of such important problems as cooperation between the enterprises of the Council of National Economy with local industry, the utilization of fuel and power resources as well as of other problems pertaining to a comprehensive development of the economy of the economic rayon as a whole.

The "Situation" pertaining to the Councils of National Economy points out that the Councils of National Economy must coordinate their work with the local executive committees and with their planning organs. The fact that enterprises of certain branches of industry (the furniture, footwear, textile and canning industries) are basically engaged in servicing the needs of the local population for commodities and food products, are under the jurisdiction of the Council of National Economy and that of the Council of Ministers Dagestan ASSR, makes it necessary to establish coordinated planning of the volume of their production, variety of products with a consideration of the demand by the population for such products.

In addition to that the Council of National Economy is interested in the participation of the State planning Committee of the Dagestan ASSR and of other local organizations in the development and discussion of plans for the development of enterprises under the jurisdiction of the Council of National Economy.

GROWTH AND PERFECTION OF INDUSTRIAL PRODUCTION

The Dagestan economic rayon stands out among the other economic administrative rayons of RSFSR in specialized machine building, the extraction of oil and gas, in its well developed glass, food, and light industries.

By the time the Council of National Economy was organized the industry in Dagestan was a large economic system equipped with the most modern technological equipment.

Modern industry amalgamates tens of various branches, many of which arose during the years of Soviet government.

Due to exceptionally favorable conditions along with the presence of a rich raw material base in Dagestan, the food industry, especially the fish, canning and the viniculture industries have historically received widescale development.

Among branches of the heavy industry, which manufacture the means of production, the extraction of oil and gas, the production of electric power and heat, machinery, sodium sulfide, window glass and other building materials are particularly well developed.

The production of consumer goods is represented by enterprises engaged in the manufacture of textiles, shoes, furniture, fish goods, cans, grape wines and meat-dairy products.

The production of the means of production of the grade "A" category accounts for approximately 40% and the production of grade "B" category of products (consumer products) accounts for 60% of the overall product of the Dagestan Council of National Economy.

The branch structure of the industry of the Dagestan sovnarkhoz is dominated by branches of the food industry. They account for the greatest share of the value of the gross product and employ the greatest number of workers.

The number of workers engaged in the various branches of industry under the jurisdiction of the Dagestan sovnarkhoz, as compared with analogous indices for the Dagestan ASSR on the whole and for the USSR is as follows (in percent of the total):

	Sovnarkhoz	DASSR	USSR
The fuel industry	7.7	1.6	7.5
Electric power plants and the electric power networks	1.1	2.4	1.5
The chemical industry	0.5	0.5	2.9
Machine building and metal working	20.8	21.2	31.5
The building materials industry	4.8	7.0	5.8
Forestry and the wood working industry	2.9	7.4	15.0
The light industry	6.7	19.3	16.7
The food industry	55.5	37.8	9.0
Other branches of industry	4.4	2.8	10.1

Despite the fact that production of the "B" category predominates the overall volume of production, the branch structure of big industry of Dagestan, by comparison with the prerevolutionary period, underwent extensive changes in the direction of an absolute and relative growth of branches of the heavy industry.

Prior to the revolution the basic branches of industry in Dagestan were the textile and the food industries, principally the fish industry, which accounted for two-thirds of the gross industrial product. The production of the means of production (predominantly the extraction, in small volume, of certain useful minerals and the manufacturing of metal products) amounted to only several percent of the gross industrial product.

With the administrative reorganization the industry started to develop at a more rapid tempo in Dagestan. In 1958 the entire industry on the territory of the Dagestan ASSR manufactured 39 times more products than during the pre-revolutionary period. At the present time the gross industrial product over a period of 10 days in Dagestan is approximately equal to the annual product for 1913. Over 50 million cubic meters of combustible gas is extracted (natural gas and by-product petroleum gas), over 200 million kilowatt hours of electric power is generated, six million square meters of window glass is produced, over 40 million bricks, 20 million meters of cotton fabrics (not over four million meters were produced during 1913), over one million pairs of leather shoes, 10 thousand tons of meat, 130 million pieces of canned food, approximately 30 million liters of grape wine

and wine products, up to 60 thousand tons of fish are caught in addition to many other products that are manufactured there.

Along with the growth of industry, not only the volume of production increased, but its significance in the industry of the Russian Federation as well in the output of various types of industrial production. The Dagestan economic rayon accounts for a comparatively significant share in the production of window glass, canned products and wine. One-tenth of the entire output of glass is produced here, one-fifth of the canned fruit (including two-thirds of the canned fruit juice) and over one-third of all the wines made in the RSFSR. The Dagestan economic rayon is second to the Astrakhanskiy economic rayon in fishing the Caspian basin.

The greatest share of the gross industrial product of the Dagestan economic administrative rayon is accounted for by the enterprises of the Council of National Economy. During 1958 the enterprises of the Council of National Economy accounted for 77.5% of the gross industrial product, including all of the operations for the extraction of gas and oil, the entire volume of products of machine building, power, glass, fish, wine, and the meat and dairy industries; 93% of the output of cotton fabrics, 87% of the total output of leather footwear, 98% of the canned products and so on.

The creation of a Council of National Economy in Dagestan and the delegation of comprehensive powers to it in the administration of industry, permitted the adjustment of production and economic relationships among the enterprises within a short period of time, which formerly were hindered by the inter-agency barriers, as well as to reveal and to draw into production the available reserves, principally the unused capacities and material-technical resources. From the very beginning of its activity the Council of National Economy accomplished a considerable amount of work in the revelation and utilization of production areas and equipment that were not fully used; it took into consideration the surplus raw material, means of transportation found at certain enterprises and transferred them to other enterprises. All of this had a beneficial effect on industrial operation and permitted a considerable expansion in the volume of production as well as to raise the indices reflecting the work of the enterprises.

During 1957 and 1958 the industry under the jurisdiction of the Council of National Economy on the whole successfully handled the fulfillment of the state plan and increased the output of gross production by almost 25% as compared with 1956. The number of enterprises and construction projects which failed to fulfill the plan showed a marked decrease. The industry began to operate with greater rhythm; the majority of the enterprises started to overfulfill production assignments every month; there was an acceleration in the tempo of industrial production. In 1957 they were higher than the average for RSFSR.

Socialist competition, which developed on a wide scale at the enterprises of the Council of National Economy had a great effect on

the growth and perfection of industrial production.

Competing with the Astrakhanskiy and Azerbaijanskiy sovnarkhozes, the enterprises of the Dagestan Council of National Economy fulfilled the annual production plan ahead of schedule and manufactured a large volume of products in excess of the volume stipulated by the plan, including a large amount of combustible gas, electric power, machinery and equipment, fabrics, shoes, fish products, wine and other items.

Extensive measures for the mechanization of difficult and heavy work were conducted at enterprises of the Council of National Economy; new techniques and progressive technology were implemented. As a result the productivity of labor of the workers increased by 17% during 1958 as compared with 1956. A saving of approximately 40 million rubles was obtained over a period of two years due to a decrease in the cost of commodity production.

Extensive measures were also conducted for the expansion of production capacities and in the construction of dwellings. Some 450 million rubles were spent for capital construction under the sovnarkhoz during 1957 and 1958, or as much as was spent for overall industrial expansion on the territory of the Dagestan ASSR over a period of five years preceding the organization of the Council of National Economy.

One of the first steps taken by the Council of National Economy was the accounting for and a rational distribution of unused material resources. In the past, prior to the administrative reorganization of industry and construction, the enterprises of the economic rayon built a large amount of extra equipment. The redistribution of that equipment among the enterprises was hindered by inter-agency barriers. With the organization of the Council of National Economy it became possible to transfer that equipment to enterprises which had a need for it. During the first year of the existence of the Council of National Economy over 200 units of previously idle metal working machinery and lathes were redistributed.

The many thousands of workers and engineering technical workers of the Dagestan Council of National Economy are working with an inspired and creative enthusiasm during 1959. In response to an appeal by the Makhachkalinskiy machine building plant imeni M. Gadzhneva a nationwide socialist competition for the fulfillment of assignments for 1959, the first year of the Seven Year Plan, evolved on a wide scale at the enterprises under the Council of National Economy. It signifies a new higher stage in the creative activity of the masses brought about by the historic decisions of the 21st Congress CPSU pertaining to the grandiose prospectives of communist construction in our country.

Concrete changes were brought about by the administrative reorganization of industry in the work of its various branches. Most of them acquired new equipment and machinery, expanded production, and raised the quality of their products over a period of two years.

In the course of the forthcoming seven year period most of the existing branches of industry under the Council of National Economy will introduce concrete changes in the profile of their work, will increase their production capacities; they will also expand the volume of their production and increase the variety of products.

The gas and oil industries which formerly showed a considerable lag in the fulfillment of the plan, are working in a considerably more productive manner under the new conditions. They are now successfully handling the fulfillment of the drilling plan for exploration and the extraction of oil and gas. More modern drilling equipment as well as drilling methods and methods for the exploitation of oil wells have recently been introduced at the enterprises of the oil and gas industries.

In 1958 the oil industry started assimilating new oil deposits at the Karanogayskiye steppes. The drilling of several deep oil wells will be completed there during 1959 by well known drilling experts--A.A. Abubekirov and N.V. Tamazov. The Karanogayskiye steppes, according to the geologists, have the greatest potentials for surveys for oil and gas by means of deep drilling through the mesozoic deposits. The presence of a large amount of oil in the Stavropol'skiy economic rayon located close to us, which has geological conditions that are similar to the geological conditions of the Yuzhno-Sukhokumskiye deposits, allows us to hope that explorations in that rayon will yield favorable results. The industrial assimilation of new rayons will allow a two or threefold expansion in the amount of oil and gas extracted at Dagestan within the next seven years.

A lag characterizing the glass industry was also liquidated during 1958.

The "Dagestanskiye Ogni" glass plant is successfully handling the assignment for the production of window glass and lump silicate. In the future it is planned to organize the production of glass pipes and glass wool at that plant.

Machine building is introducing considerable changes into its profile. By utilizing internal reserves, principally the unused productive areas, the Council of National Economy started organizing a number of highly productive new machine building plants in 1958.

A separator machine building plant was constructed on the basis of an uncompleted cement factory in the city of Makhachkala. It will manufacture separators for the various branches of industry--the milk industry, the chemical industry, as well as others.

A branch of industry that is new to Dagestan is being created--an electrical engineering machine building industry consisting of three plants. A plant for the production of electrical equipment, DAGZETO (Dagestanskiy Zavod Elektrotekhnicheskogo Oborudovaniya--The Dagestan Plant of Electrical Equipment), is being organized on the basis of a machine maintenance plant in the city of Izerbash. Two new plants for the production of low voltage electrical apparatus

"Dagelektroapparat" and "Dagelektroavtomat" are being established in unoccupied areas, formerly used by the kenaf plants in the Khasavyurtovskiy and Tarumovskiy rayons. Operating at full capacity these plants will manufacture half a million rubles worth of products per year. On the basis of a tractor repair plant it is planned to establish a plant for the production of electrical welding units.

The Council of National Economy will devote considerable attention to the development of the building materials industry, which, as commonly known, has at its disposal extensive raw material resources for the local production of various building materials. The problem pertaining to the utilization of limestone found on the Tarki-Tau mountain, as well as the organization of plants producing various types of building materials--cement, building rock, lime, was before the former Ministry of the Building Materials Industry RSFSR for a long period of time. Only after the creation of the Council of National Economy was this problem finally resolved. At the present time the Council of National Economy started the organization of a large combine for the production of building materials in the city of Makhachkala, which will consist of several enterprises--a cement plant, a silicate brick plant, one for the production of reinforced concrete products, a limestone, a rock crushing and other plants. Operating at full capacity that combine will be capable of producing over 600 thousand cubic meters of limestone-rock per year; it will also be able to produce a large amount of cement, building blocks, reinforced concrete units, quarry stone, etc.

The administrative reorganization of industry and construction at Dagestan performed a positive role in the matter of a more comprehensive and rational utilization of natural resources and especially of the mineral raw material for the organization of new types of industrial production.

In connection with the fact that there are large deposits of various mineral raw materials on the territory of Dagestan as well as favorable conditions for the development of the chemical, glass and other branches, the Council of National Economy accomplished a considerable amount of work in order to establish a number of industrial enterprises in that area. With the assistance of central scientific research and planning institutes, the Dagestan affiliate of the Academy of Sciences USSR and other local organizations it was established that the manufacture of new types of chemical products (soda ash, sodium sulfide, glass fiber, glass containers, etc.) was both feasible and possible. The basic raw materials for those products are limestone, sodium sulphate and other salts from sea water or water from underground sources, which are found locally. The new Seven Year Plan of the Council of National Economy stipulates the construction of a plant for the production of glass fiber, a plant for glass containers and other enterprises based on local mineral raw materials.

A very important condition, beside the rich deposits of mineral

raw materials, for the organization of new products in Dagestan, is the creation of a large power base there. At the present time the economic rayon already has at its disposal a considerable amount of power capacities, with the construction of two more large hydro-electric power plants--the Chiryurtovskaya and Cherkeyskaia Hydro-electric Power Plants--there will be a large pool of low cost electric power.

The Council of National Economy accomplished a considerable amount of work in order to provide the industrial enterprises and the communal economy with electric power from the central power system. In 1957 the construction of a high voltage power transmission line from Chiryurt to Khasavyurt was completed in 1957, while in 1958 a power line from Izberbash to Derbent was finished, as a result of which the enterprises in the cities of Khasavyurt and Derbent received an adequate amount of low cost electric power. This allowed a complete satisfaction of the requirements of these cities in electric power and thereby to further expand the output of industrial production. In addition to that, the utilization of cheaper power, as compared with electric power which was formerly generated by small and low power electric power plants which were located at the various enterprises, will lead to a decrease in the cost of industrial production.

More favorable conditions for the development of the light and food industries came about after the organization of the Council of National Economy in Dagestan. It became possible to fully utilize the large resources of agricultural products in local processing, which until the present time are shipped to other rayons in large volumes in raw form (cattle, wool). On the other hand it became possible also to establish cheap water transportation in Dagestan, due to the favorable geographic conditions, for the importation of raw material (cotton, etc.).

With regard to the textile industry the problem of a further reconstruction of the spinning mill imeni III Internatsionala in the city of Makhachkala was resolved as well as the problem pertaining to the transformation of that plant into a textile combine for the production of ready-made clothing and underwear fabrics. Taking into consideration the favorable conditions for the acquisition of raw cotton from the republics of Central Asia shipped by means of low cost water transportation, it is planned to construct a new textile plant for the production of velveteen fabrics as a result of the efforts of the Council of National Economy and those of the local republican organizations. In order to attain a more comprehensive local utilization of such raw material as sheep's wool it is planned to establish a combine for the machine weaving of carpet products in the city of Derbent.

The leather and shoe industry, which is essentially based on locally available leather raw material, acquired the possibility of fully using the available reserves of that type of raw material in

the republic. With the organization of the Council of National Economy the problem pertaining to the full scale utilization of the existing shops and the further reconstruction of the Buynakskiy leather-shoe combine were finally resolved. In accordance with a decision made by the Council of National Economy, the combine transferred to a two-shift workday in 1958, as a result of which the production of shoes increased considerably. After the reconstruction is fully completed the combine will process almost all the leather raw material available locally, and the output of shoes will expand more than threefold as compared with the present output.

Particularly favorable conditions as a result of the organization of the Council of National Economy, came about in all branches of the food industry.

The fact that all branches of that industry are presently under the jurisdiction of a single administration--the Council of National Economy--in itself had a favorable influence on their work. Normal production associations were re-established between enterprises of the canning, viniculture, fish and the meat industries, which are closely associated because they supply each other with raw materials and semi-finished products.

With the administrative reorganization of industry it became possible to develop the food industry further (especially the canning and viniculture industries), by utilizing funds owned by those industries, which are deducted in accordance with governmental regulations, from income from sales. In 1958 the Sovnarkhoz spent over 56 million rubles in capital investments for the development of these branches of industry. New canning plants and wineries are being built, new orchards and vineyards are planted in the sovkhozes that are under the jurisdiction of the Council of National Economy, and an extensive program of dwelling construction is conducted on the basis of those funds.

The canning and viniculture industries will be developed still farther during the current seven year period. In order to better utilize the natural and climatic conditions of the Dagestan ASSR and to transform it into a republic with highly developed horticulture and viniculture, to bring about a further rise in the national economy as well as a rise in the welfare of the population of the republic, the government of the Russian Federation adopted an extensive program for the development of those branches of agriculture, as well as of the canning and viniculture industries for 1959-1965. The areas under orchards and vineyards will be expanded to 200 thousand hectares by the end of the seven year period, i.e. they will expand fourfold as compared with present areas. The gross harvest of fruit and grapes will exceed 400 thousand tons in 1965, or six to seven times more than the harvest gathered by the kolkhozes and sovkhozes at the present time. 250 thousand tons of fruit and grapes will be turned over for industrial processing.

In order to process that raw material it is planned to expand

the capacities of the canning factories engaged in the processing of fruit up to 165 million standard cans in 1965, and to expand the capacities of preliminary processing of grapes to 223 thousand tons per season. In 1965 the enterprises of the Council of National Economy will produce 130 million standard cans of fruit or two times more than at the present time, in addition to 15 million decaliters of wine products or five times more than that produced at the present time. It is planned to construct approximately 35 wineries and processing points in the course of the Seven Year Plan. In order to conduct a large program for the further expansion of viniculture and horticulture in the republic, as well as for the further growth of the canning and winery industries, extensive capital investment funds are appropriated, as well as many machines and equipment.

The fish industry made some serious changes in its work during 1958. During the last few years, as commonly known, that industry basically produced cheap fish--sprat, by means of surf fishing during the spring fishing season. In connection with the fact that the demand for fish products made of sprat decreased sharply, the enterprises of the fish industry switched over to the production of more valuable types of fish--herring and other fish, and sharply curtailed the catch of sprat. At the present time sprat is prepared so as to produce a better quality of fish including caspian sardines.

Measures conducted by the fishing industry in the restoration of inland fish breeding reservoirs as well as measures for the establishment of fish reserves are of considerable significance for the development of the fish industry. For that purpose it is planned to conduct a fish conservation program during the next several years in the Agrakhanskiy lowland area as well as along the left bank system of Nizhneterskiye lakes, the Agrakhanskiy bay as well as at the Kryuchkovskiy, Aktash, Samurskiy and Temproyevskiy lakes over a total area of over 50 thousand hectares. In order to produce valuable types of fish it is planned to build a sturgeon breeding plant at the lower course of the Terek and a sturgeon fish breeding plant at the upper course of the Samur and its tributaries.

The meat and dairy industries are also undergoing extensive technical reconstruction and expansion. At the present time meat-fat and sausage shops are under construction at the Makhachkalinskiy meat combine and the building of a new dairy combine is starting in the city of Makhachkala. Up to 30 tons of various whole milk products will be made daily there in order to supply the population of the capital of Dagestan.

All of these measures designed to develop production that are either being planned or executed by the Dagestan Council of National Economy are included in the plan for the development of its economy for the period from 1959-1965. The draft for that plan was developed by the Council of National Economy with the widescale participation of the personnel from enterprises, party and soviet trade union organizations of the republic together with considerable assistance by the

central and local scientific-research and planning institutes. A large share of the measures, included in the draft of the Seven Year Plan was approved by the central planning organizations, and is being successfully carried out.

As a result of the fulfillment of the Seven Year Plan in the Dagestan economic administrative rayon over 30 large industrial plants will be built or reconstructed; it is anticipated to spend approximately 3.5 billion rubles in capital investments for that purpose, or almost four times more than was invested into the economy, under the jurisdiction of the Council of National Economy over the past seven years. This will allow a considerable expansion in the volume of industrial production, and introduce a large segment of the local population to industrial labor, and raise its material and cultural level.

The gross industrial output over the seven year period for industry under the jurisdiction of the Council of National Economy will increase 2.3 times, which considerably exceeds the rate of growth of industrial production as compared with the preceding period. [See Note.] Such a considerable growth in industrial production is in many respects made possible by the introduction of new production capacities. In addition to that extensive work will be accomplished in industry in order to mechanize and automate production, as well as to the implementation of new techniques and advanced technology, which will raise the productivity of labor (calculated per worker) by 75-80%. 75% of the overall increase in industrial production over the seven year period will be obtained as a result of an increase in the productivity of the workers' labor. Due to the rational and economic utilization of material and labor resources it is planned to decrease the cost of commodity production during that same period by 13-14%.

[Note] During the period from 1952 to 1958 the entire industry of the Dagestan ASSR increased its gross product by approximately 80% (in comparable prices).

DEVELOPMENT OF SPECIALIZATION AND COOPERATIVIZATION IN INDUSTRY

The administrative reorganization of industry and building along with other positive factors was helpful in revealing and utilizing on a larger scale the internal reserves existing in the industry of the Dagestan economic administrative rayon.

The most important conditions necessary for a widescale utilization of internal reserves found in industry was the further development of specialization and cooperativization of the enterprises, which became possible after the liquidation of inter-agency barriers, which formerly acted as strong deterrents to the expansion of progressive forms of organizing production.

N.S. Khrushchev, in his report to the 7th Session of the Supreme Soviet USSR, stressing the great significance of specialization and cooperativization pointed out: "That wisely organized specialization and cooperativization of production through the Councils of National Economy will be helpful in a more comprehensive utilization of the great reserves available in our national economy."

[See Note.]

[Note] Khrushchev, N.S., O Dal'neyshem Sovershenstvovanii Organizatsii Upravleniya Promyshlennost'yu i Stroitel'stvom. Doklad na VII Sessii Verkhovnogo Soveta SSSR (Regarding the Further Organizational Perfection in the Administration of Industry and Building. A Report to the 7th Session of the Supreme Soviet USSR), State Publishing House for Political Literature, 1957.

It must be noted that by the time the Council of National Economy was organized in the Dagestan economic rayon, specialized plants were in the planning stage and certain productive and economic associations between the various enterprises were just beginning to develop both with those within the economic rayon as well as with enterprises situated in other economic rayons.

Even in machine building objective specialization was not conducted where a certain specific type of product would be produced at specified enterprises--machines and equipment.

Let us, for example, take the machine building plant imeni M. Gadzhiyeva in the city of Makhchala. Along with the production of pumps, which established the production profile of the plant, a large amount of equipment of another type was also constructed on orders from the Ministry of the Maritime Fleet, which formerly had that plant under its jurisdiction.

Before specialization the plant manufactured steam engines, steam direct current generators (steam installations with generators

for lights on board ships), steam pumps both horizontal and vertical, pumps of the VIR type, bulldozers for cleaning holds, replacement and spare parts for diesel machines, as well as one time orders for the production of certain types of equipment and parts. Such a diverse type of production and services had a negative effect on the productive activities of the plant.

The situation changed for the better after the plan was specialized principally in the production of pumping equipment in 1958. Conditions for a more comprehensive and a rational utilization of the existing capacities came about, which permitted a twofold expansion in the production of reciprocating steam pumps; it also became possible to organize the production of a substantial number of centrifugal pumps. By continuing to specialize the plant will increase its gross output threefold over the seven year period by comparison with its present output, using the same work area and equipment.

It is important to note that the specialization which has been accomplished was reflected in the entire production-economic activity of the plant. In 1958 the personnel at the plant won the Red Banner of the Council of Ministers RSFSR of the All-Union Central Council of Trade Unions on the basis of data compiled by the All-Union Socialist Competition among the personnel of enterprises under the jurisdiction of the Council of National Economy.

Extensive prospectives for the utilization of internal industrial reserves is also possible at other enterprises under the jurisdiction of the Council of National Economy if they specialize their production, as a result of which the volume of production will increase considerably.

One of the measures which were conducted by the Council of National Economy for specializing the enterprises, was the concentration of production of pig iron, and steel smelting and containers at two machine building plants which have an adequate production basis for that purpose. This adjusted the supply of casting for all enterprises of the economic rayon and there was no longer any need for maintaining small, unprofitable casting shops at many enterprises under the jurisdiction of the Council of National Economy. The concentration of casting at individual machine building enterprises under the Council of National Economy permitted a full utilization of the equipment and foundry areas, as well as to organize a substantial production of cast products. Specialization in the field of casting also permitted a widescale application of new progressive methods of casting—precision casting, special mould casting, and so on.

The specialization of enterprises producing consumer goods was also conducted within the economic rayon. The production of a better quality of furniture requiring more complex production techniques, and the production of plain furniture at furniture plants of the local industry. The production of civilian shoes on a mass production basis is concentrated at the Buynakskiy leather shoe combine, whereas at the shoe factory of the local industry in the city of Makhachkala—the production of a variety of shoe styles.

Along with the specialization in the machine building industry, production cooperativization also became developed on a wide scale. Machine building plants under the Council of National Economy maintain production associations with enterprises located in approximately 40 economic administrative rayons. Such cooperativization, based on mutual supplies of various machine units and parts, is conducted basically with enterprises which specialize in the production of such semi-finished products, or with enterprises which manufacture generally homogenous items. Up to 50% of the overall cost of the raw material and equipment utilized in the manufacturing process are furnished through cooperativized supplies.

It is interesting to observe the production associations of the machine building enterprises under the Dagestan Council of National Economy with enterprises of other economic rayons.

As an example let us take the production of an item like the pick-up hay baler. Enterprises of other economic rayons take part in the manufacturing of this machine in addition to the enterprises of the Dagestan Council of National Economy (which manufacture finished products). A total of over 25 factories participate in supplying the units and parts.

Enterprises of the Rostevskiy economic rayon supply 22 different parts for the production of a self-propelled pick-up baler (PPS-2), including such large items as the air filter and the front axle.

Enterprises of the Gor'kovskiy Sovnarkhoz provide eight items, including the steering wheel assembly, as well as nine different types of gaskets and stuffing boxes.

Enterprises of the Moskovskiy oblast and city Councils of National Economy provide 24 machine parts for the production of the self-propelled pick-up baler, including gas tanks and filters.

The Leningrad sovnarkhoz furnishes six important parts for those machines: the main transmission, the drive shaft, the knotting mechanism, pistons, clutch mechanism.

The Vladimirovskiy sovnarkhoz provides 14 items: hand pumps, screw drivers, hammers, wrenches, etc.

Enterprises of the Kirovskiy and Yaroslavskiy sovnarkhozes supply casings and tire tubes, while the Kurskiy sovnarkhoz furnishes three types of belts.

The Saratovskiy sovnarkhoz provides batteries, the Chelyabinskii sovnarkhoz--the engine and spare parts for it, the Kirgizskiy sovnarkhoz--chains and spare parts for them, the Cheliabinskii sovnarkhoz--a portable lamp, the Severo-Osetinskii sovnarkhoz supplies tractor headlights, the Tyumenskii sovnarkhoz sends the ignition coil, and the Altayskiy sovnarkhoz--carburetors.

Certain other units necessary for the production of the self-propelled pick-up balers are furnished by plants located in the Ul'yanovskiy, Udmurtskiy and other sovnarkhozes.

Plants located in seven other sovnarkhozes in addition to those of the Dagestan sovnarkhoz take part in the production of a trailer type pick-up hay baler (PPV-1.6), which is a less complex and a more

economical machine.

Enterprises of the Tashkent sovnarkhoz supply nine units, those of the Rostovskiy sovnarkhoz provide four, Tul'skiy--seven, Voronezhskiy sovnarkhoz provides wheels along with tires, tubes complete with rim for this machine.

The principal supplying plants for the parts furnished through the cooperation plan for the production of steam power generators and pumps are the enterprises of the Kharkov' sovnarkhoz (generators), the Tatarskiy sovnarkhoz (pressure gauges) as well as certain plants of the Leningradskiy sovnarkhoz which supply seven items for that type of production.

18 enterprises of the Udmurt, Gor'kovskiy, Leningradskiy, Ul'yanovskiy, Zaparozhskiy and other sovnarkhozes in addition to plants of the Dagestan sovnarkhoz participate in the production of diesels.

Extensive production cooperativization was accomplished in machine building, as evident from the cited data, which resulted in a high rate of production and the necessary cost of production level. Without such cooperativization the machine building enterprises under the sovnarkhoz would have been unable to handle the production of a large volume of parts and units, which were required for the completion of semi-finished products. It is sufficient to say that over 1,800 parts and units must be manufactured for the production of a pick-up baler PPS-2.

In addition to the production cooperativization in machine building, enterprises under the Dagestan Council of National Economy have extensive economic ties with enterprises of other economic rayons involving the mutual supply of semi-finished products and raw materials for processing.

Broad economic ties are maintained by the chemical plant in the city of Makhachkala which in 1959 provides various enterprises, especially tanning plants of 15 sovkhoses of the Russian Federation and 12 union republics, with sodium sulfide fusion cakes. The plant ships the greatest share of its output to the Kalininskiy, Kabardino-Balkarskiy, and the Rostovskiy sovnarkhozes, as well as to Ukraine, Uzbekistan and Armenia.

The glass factory called "Dagestanskiye Ogni," supplies lump silicate to other economic rayons in large amounts, which is used as a catalyst in various branches of industry. The greatest amount of lump silicate is shipped to such economic rayons as the Azerbaijanskiy, Checheno-Ingushskiy, Kabardino-Balkarskiy and others.

The spinning-weaving mill imeni III Internatsionala is one of the suppliers of flannel to the Goriyskiy textile combine of the Georgian SSR, which is used for the manufacture of finished fabric.

The vinicultural sovkhoses and plants of the Dagestan Council of National Economy are the basic suppliers of raw material from many wineries of RSFSR. They ship wines and processed wine products for further processing and bottling. In 1958 the viniculture industry

shipped such wines and processed wine products to 26 economic rayons of the RSFSR. The greatest amount of these products is shipped to the Moskovskiy, Sverdlovskiy, Novosibirskiy and other economic rayons.

The canning industry is engaged in supplying other economic rayons with its products for further processing to a lesser degree than the viniculture industry. In 1958 as well as during the preceding years it supplied only wild, dried fruit for further processing to the confectionary factories.

Enterprises of the meat industry, which purvey and process cattle, supply live cattle, meat, hides and other products to a large number of economic rayons. The cattle and meat are shipped to the meat combines located at Baku and Groznyy, the hides are shipped to Moscow as well as to other cities of the country.

The dairy industry does not have extensive economic ties with other economic rayons. Its enterprises furnish only non-fat cheeses to the plants engaged in producing fused cheeses.

In addition to other economic rayons, the enterprises of the Dagestan sovnarkhoz have rather close economic ties with enterprises of the local industry within the economic rayon.

The machine building enterprises of the Council of National Economy manufacture various parts for enterprises of the local industry, principally for maintenance work. The sovnarkhoz industry caters to the needs of the enterprises of the local industry for electric power and combustible gas.

Enterprises of the local industry engaged in the production of consumer goods and public services receive from the enterprises of the light industry under the Council of National Economy various industrial by-products (textile, leather and etc.). The local industry in turn provides enterprises under the Council of National Economy with local building materials (brick, shingle, blocks, lime), firewood, coal and other items.

Paths for Further Technical Progress.

The administrative reorganization of industry and building opened up a great vista for further acceleration of technical progress in the industry of Dagestan.

After the creation of a Council of National Economy more favorable conditions were created for the mechanization and automation of industrial production processes, for the implementation of new techniques and the most progressive technology and advanced methods of labor by the production innovators at the enterprises.

A considerable role in the technical progress is performed by the complex mechanization and automation of production. The thesis of a report made by comrade N.S. Khrushchev at the 21st Congress CPSU regarding the control figures on the development of the national economy of the USSR for 1959-1965 points out that the "comprehensive mechanization and automation of the production processes are the most important and decisive methods that assure the further technical

progress in the national economy, and on that basis--a new surge in the productivity of labor, a decrease in the cost of production and an improvement in the quality of the products."

What, then, is being done or was done by the Council of National Economy towards the realization of technical progress at the enterprises of the economic rayon?

Extensive work in that field is being conducted at the machine building plants. A whole series of new progressive measures are being conducted there. Coke and precision casting were introduced in casting production as well as other new techniques. Mechanical production is undergoing a change from mechanical processing to a cold and hot stamping, which results in a considerable saving of metal and improves the quality of the products.

Within the next several years the machine building enterprises of the Council of National Economy will utilize complex mechanization in their casting work, at the forging-pressing projects, automated and semi-automated continuous flow lines will be introduced in the mechanical processing and finishing of many products, which will allow an increase in the productivity of labor in many processes by two or more times; it will also allow a considerable economy in production expenditures.

Considerable attention is devoted to the modernization of the metal cutting and other equipment at the machine building enterprises, as well as the mechanization of interior plant transportation through the acquisition of motor carts, the mechanization of the transportation of forms and moulded castings in casting production.

Workers of the oil and gas industry of Dagestan were the initiators of many progressive methods of work just a short time ago. At Izberbash the first ocean installation was built for the first time in our country--a powerful hydrotechnical installation for the underwater extraction of oil. For the first time in our country a method of twin drill boring of oil wells was conducted here. During recent years, due to a number of unfavorable circumstances, the oil industry of the rayon showed considerable backwardness; work pertaining to the mechanization of the industry, however, did not stop.

At the present time the work in the mechanization of building and repair of oil wells is being conducted. The lowering and raising operations are being mechanized by using a pneumatic gripper as well as complex installations, mechanisms for the bolting and unbolting of compressor pump pipes and new mobile units for underground repair of the wells, which considerably improves the working conditions for drilling and raises its productivity.

New equipment and progressive methods of work are being implemented on a sufficiently broad bases: small diameter rotary turbine drills, artificial treatment of the crust by pumping water, a hydraulic method of cracking the crust. These geological-technical measures permit an increase in the extraction of oil at the existing oil wells. The implementation of a method of torpedoing the slope with large shells in order to obtain an inflow of oil or gas will be of

great significance in increasing the output.

Workers of the oil industry are conducting serious work designed to reveal new reserves. Taking into consideration that one of the large reserves for raising the speed of penetration in drilling is the simplified construction of the wells, the drilling brigades of the Selli and Gasha sectors changed over from a three column type of construction to a twin column and then to a single column type of construction. Master Driller A. Abubekirov set an example in this respect by achieving an acceleration in the commercial velocity from 312 to 690 meters per machine-month and a decrease in the cost per meter of penetration from 1,621 to 733 rubles during the drilling of an exploratory well No. 15 from a single column, as compared with wells having a three column construction.

Considerable savings were also derived from the implementation of other progressive measures: the utilization of a cutting bit with the rotary turbine drill in drilling through thick layers of clay deposits, which increased the speed of penetration three to four times as compared with the speed attained when the expensive three chisel bit is used.

Measures for the automation of production and control are being introduced at the thermal electric power plants by the installation of pressure and temperature regulators, remote control mechanisms for the dispatcher and for the control of the step down sub-stations. It is planned to automate the combustion processes of the boiler units (automatic boiler feeders) as well as an overall comprehensive automation at the Gergebil'skaya Hydroelectric Power Plant.

Mechanization and automation were instrumental in raising the volume of production and in eliminating the backwardness which characterized the glass industry. "Dagestanskiye Ogni"--a large glass factory was formerly quite backward and did not operate at full capacity. The reason for such a lag was principally an inadequate mechanization of production. A large amount of difficult work was here accomplished by hand, which hindered an increase in the productivity of the workers' labor. After completion of work for the comprehensive mechanization of cutting, splitting and transportation of window glass as well as in the mechanization of the work involved in charging the tank furnaces, through the installation of thin layer chargers, as well as of the work involved in charging with lump-silicate and sand, work was also conducted in reconstructing the tank furnaces and in observing optimal temperature conditions--the output of glass at the plant increased and the plant began to work more rhythmically.

As a result of the measures which were conducted the technical-economic indices reflecting the operation of the equipment at the plant began to rise: the amount of molten glass removed per square meter of the tank furnaces increased; the coefficient showing the utilization of the molten glass and the speed with which the glass was drawn also increased. According to the rational suggestion made

by the workers of the plant, D. Ganapol'skiy and S. Alakhverdov, a new machine for the vertical drawing of glass was constructed and installed at the existing production areas, as a result of which the plant's production capacity increased still farther. In order to improve the quality of the molten glass, pegmatite was added to the charge; various agents designed to accelerate the melting of glass were also introduced.

Additional mechanization of a number of production processes is being conducted in the textile industry. At the cotton mill and weaving factory imeni III Internatsionala, the movement of yarn from the spinning looms to the sorting tables and then to the storage bins is being mechanized, and the healding of the basic threads by using a knotting machine. It is also planned to implement new machines and devices at that factory which will be conducive in raising the productivity and quality of labor of the workers: new roving machines with silent transmission, spinning looms of small overall dimensions, the installation of dust and lint catchers on the spinning looms. A significant measure for a further rise in the productivity of the spinning equipment is the planned modernization of the spinning looms ATK-100 by accelerating them to 240 revolutions per minute.

At the "Dagyun" cotton mill the old periodic action spinning looms are being replaced with new, more productive continuous action spinning mills, which will allow an expansion in the production capacity and an elimination of the retarded nature of the plant's work.

After the administrative reorganization of industry and building at the enterprises of the Dagestan economic rayon more attention was devoted to the dissemination of progressive production experience, which is most important in socialist competition. This permitted the utilization of additional reserves for raising the productivity of labor and increasing the output.

Zagirad Madzhuyeva and Mar'yam Alikhanova, progressive workers-innovators at the cotton-mill and spinning factory imeni III Internatsionala became remarkable initiators of new highly productive methods of labor at enterprises of the textile industry.

The well-known weaver, Z. Madzhuyeva, was the initiator of a movement at the factory for a transfer to a method of operating a number of looms. Following her example all the weavers of the factory started operating 20 or more of the ATK-100 looms. By employing rational techniques in the course of various operations, principally by eliminating the tearing of thread, Z. Madzhuyeva decreased her expenditure of labor by 20% and achieved the highest time coefficient in the operation of the loom; she produces an amount of yarn considerably in excess of the established norm.

Spinner M. Alikhanova, following an example set by the well-known Donbass miner, N. Mamay, became an initiator of a patriotic movement for an overfulfillment of the established norms of production at the plant. She overfulfills the technically based norms of production daily, even though she works with three spinning looms and

services 972 spindles instead of the established 600. Her example was followed by many spinners at the plant.

The Council of National Economy, at one of its sessions in 1958, held a special discussion of the work experience acquired by the spinner and recommended to the personnel of other enterprises to develop a movement for the overfulfillment of the technically based norms of production by following the example set by M. Alikhanova. At the present time there are many participants of that movement at many enterprises of the Council of National Economy, which is conducive to a rise in the productivity of labor and an expanded production.

Work designed to further mechanize fishing by means of sweep-seine, the unloading of fish from the fishing vessels, in the transportation of raw fish within the factories and the transportation of the finished products is being conducted by the fishing industry. Within a short period of time it is planned to accomplish widescale mechanization of fishing and the processing of fish on board the vessels. The smoking of fish will be mechanized and mechanized lines for the production of sardines out of caspian sprat will be installed.

A considerable number of new techniques and machines are being introduced at the canneries. Among them--automatic seaming machines, machines for packing the cans, machines for peeling and slicing apples, new vacuum-machines for the cooking of jam, and fruit paste, as well as mechanized lines for the production of tomato-paste and other items. Within the next seven years it is planned to install 33 mechanized production lines at the canneries for the production of canned vegetables and snacks, 15 lines for the production of canned and pickled cucumbers, 47 lines for the washing and drying of cans after sterilization, as well as for the labeling and packing of the cans, 34 lines for the transportation of empty glass containers.

As a result of the suggestions made by rationalizers at the enterprises of the canning industry under the Council of National Economy many new machines and devices were implemented, which raise the productivity of the workers' labor and improve the quality of the product. A well-known inventor and rationalizer, N.I. Smirnov, developed a new type of an oil baking furnace, the installation of which yields a saving of over 100 thousand rubles per year. He also constructed and implemented a machine for the mechanized pickling of fish at the Derbentskiy canning combine, in addition to devices for the sealing of glass containers and other items.

The greatest measure for the mechanization of production at the wineries having plants and points for the preliminary processing of wine, is the installation of continuous flow mechanized lines for the processing of grapes. Within the next seven years it is planned to install 126 such lines with a productivity of from 10 to 30 tons of grapes per hour. In addition to that a mechanization of the auxiliary operations is also being conducted.

It is planned to conduct extensive work in the automation of

work and the implementation of advanced technology in the wine industry for the purpose of improving the quality of the wines. Among such measures the following should be noted: the installation of 30 automatic lines for the filling of bottles together with a full scale mechanization of that process, as well as of the sealing of the bottles, the wrapping of bottles in paper and packing in cases, seven lines for the sterile filling of bottles with semi-sweet wines, a thermal processing of the wine for accelerating fermentation, the implementation of centrifugal apparatus and continuously operating separators in the making of wine for processing the must before fermentation. Measures designed to substitute the wooden packing containers with metal ones (aluminum) are also of concrete significance, as well as those for the introduction of glass pipes and so on.

The meat processing industry is introducing units for the salting of meat in the processing of ham and machines for the preparation of stuffing. In order to mechanize the most difficult operation --the slaughter and processing of cattle, new overhead transportation systems and moving conveyors for the processing of small horned cattle and hogs. Mechanized conveyor belt lines are being installed at the plants for the processing of woolen and mucilaginous side products. It is planned to convert the blanching and dressing processes at certain meat combines from a horizontal to a vertical system. A more rapid method of salting sausage meat is being introduced, a sour-salt method of preserving fur hides and automatic machines for the production of special sized sausages.

Enterprises of the cream-cheese and dairy industry still maintain a low level of mechanization. Out of 16 enterprises only nine contain mechanized processes for separation, pasteurization and the cooling of milk and cream, as well as for the production of butter and ice cream. The milk receiving points are even less mechanized: at 54 of them such processes as the purification of milk are conducted without any kind of mechanization. This branch is poorly provided with equipment for the packaging of milk products, for the washing and the sealing of bottles; there is also a lack in containers for the transportation of milk.

At the present time measures are being introduced for the mechanization of work at the receiving points (separator sections) and of the various production processes at the plants: in the production of cottage cheese, in the filling of bottles and the pasteurization of milk, in the washing of hard cheeses and so on.

A line for the production of packed ice cream was installed at the Makhachkal dairy, in addition to an ice maker with a capacity of five tons of ice per day, a line for the washing of bottles and a line for filling and sealing the bottles. A conveyor belt line for the production of butter was installed at the Khasavyurt dairy.

The inventors and rationalizers may take credit for the realization of many measures in the mechanization of production, and for the implementation of new techniques and advanced technology. In 1958 there were over three thousand inventors and rationalizers at

the enterprises of the Dagestan Council of National Economy. Over the two years since the establishment of the Council of National Economy a saving of 31 million rubles was yielded by the implementation of suggestions made by the rationalizers and inventors. Many of the suggestions made by the rationalizers yield great savings when they are put into practice. For example, let us refer to a suggestion made by M.N. Glotov. The implementation of his suggestion regarding the maximum utilization of the work area in the shop producing sprat in tomato sauce at the Makhachkalinskiy canning combine yielded an annual saving of 1,627 thousand rubles.

It is necessary to note that under the new administrative conditions rationalization and inventiveness improved considerably at the industrial enterprises. The Council of National Economy and its administrations devote considerable attention to this useful work. An important event in the work pertaining to rationalization and inventions in Dagestan was the first oblast conference of the All-Union society of inventors and rationalizers in August of 1958, which amalgamates 2,800 inventors and rationalizers. Extensive organizational work at the enterprises as well as monthly reviews of rational suggestions and inventions preceded the conference. Warmly approving the initiative shown by the progressive enterprises with regard to the creation of a rationalizers' "Peace Fund," the rationalizers of Dagestan confronted themselves with the task of saving the state no less than 20 million rubles in the course of a year.

With the organization of the Council of National Economy the scientific research and experimental work within the various branches of industry increased in scope.

A central scientific research laboratory for building materials was organized in addition to a chemical technological laboratory of the canning industry, an experimental base in the fish industry, a building bureau with a shop for the production of experimental models of new machines and devices for the food industry. A department of scientific-technical information was established with the central scientific research laboratory of the oil, gas and chemical industry (the Central Scientific Research Laboratory of the Dagestan Petroleum Administration).

The Dagestan Council of National Economy devotes considerable attention to the training of skilled cadres. The technical schools, of the mechanical, building and wood industry, had an enrollment of approximately two thousand in 1959. An extensive program designed to train new workers and to raise the skill level of the cadres without them having to leave their jobs, is being conducted at the enterprises and building sites. During 1957 and 1958 some 5.3 thousand new workers were trained on the job and 8.5 thousand persons raised their skill levels.

Measures conducted by the Makhachkalinskiy city committee CPSU and by the Dagestan Council of National Economy were of great significance in the revelation and utilization of additional reserves in production. On the basis of a decision by those organizations a

general inspection and a production-economic conference on the subject of the revelation and utilization of production reserves were conducted in June and July of 1958 at Makhachkala. Some 76 enterprises of the city of Makhachkala took part in the general inspection. 1,173 suggestions resulted from the inspection, including over one thousand suggestions from workers. Those suggestions were directed at improving the technology, raising the productivity of labor, utilization of the by-products and an economy of the materials, as well as for the improvement in the quality of the products. The economy yielded by the implementation of these suggestions amounted to almost 4.5 million rubles.

Of great significance in the improvement of work of the industry under the new conditions were measures realized by the Council of National Economy in the perfection and a decrease in the cost of operating the administrative apparatus. The intermediate administrative links were liquidated at the enterprises and organizations were liquidated during 1957 and 1958, the system of the purveyance apparatus was reorganized, a portion of the parallel purveyance offices (principally those dealing in milk and meat) were unified, and some of them were eliminated. At some enterprises of the light and other branches of industry a non-shop system of administration was instituted (the "Dagyun" cotton mill, a chemical plant, a furniture plant and others). All that considerably simplified the industrial administrative system; it brought administration closer to the enterprises and the building sites and at the same time permitted a considerable financial saving in the maintenance of the administrative apparatus; it also freed a number of the workers for work in production. During 1958 and 1959 the savings resulting from the realization of the indicated measures amounted to over five million rubles.

In carrying out the grandiose program for the development of socialist industry outlined for 1959-1965, the most important role is to be performed by the Councils of National Economy, as stated in the report made by N.S. Khrushchev at the 21st Congress CPSU. They must assure a further perfection of the industrial administrative apparatus, as well as a most rational utilization of the capital investments and material resources; they must also persistently implement new technology, conduct comprehensive mechanization and automation of production, specialize and cooperativize production and on that basis consistently raise the productivity of labor. The Councils of National Economy are also delegated with the task of developing and supporting creative initiative and activity of the workers, engineers and technicians in their search for new production reserves, to strive for their comprehensive utilization in order to raise all branches of the national economy.

A remarkable patriotic movement, which developed in our country in connection with the fulfillment of the Seven Year Plan is the communist competition. The patriotic initiative manifested by a brigade of young workers of the Moskva-Sortirovachnaya depot, who

resolved to start a competition for the right to be called a brigade of communist labor, was warmly approved by the workers of Dagestan.

The members of a youth brigade of the sector of the station project Sulak GESstroya Saypula Abakarov were the first in the republic to make a resolution to live and work in the communist manner. In their work pertaining to the obligations that they assumed the brigade members stipulated the achievement of high indices in labor, as well as an increase in general knowledge and production skill, an active participation in rationalization work, and an economic utilization of material resources. Every worker in the brigade obligated himself to master contiguous professions without leaving his job, to receive a secondary or a technical-secondary education within a period of five to six years. The rules for the behavior of the brigade members in life is their active participation in the welfare of the settlement, a friendly attitude towards and assistance to women in household work, elimination of harmful residues of the past--drunkenness, huliganism and so on.

Their example was followed by many. At the machine building plant imeni M. Gadzhiyeva the young workers of the casting shop headed by V. Kabantseva were the first to make a resolution to live and work in the communist manner. The competition for the title of a brigade of communist labor was joined by many production brigades and sectors at the cotton-mill and weaving plant imeni III Internationala, at the fish canning plant and at other enterprises and building sites of the Dagestan economic rayon. It may not be doubted that the competition among the workers will be of great significance to the successful fulfillment of the tasks set by our party for the next seven year period. Inspired by the historic decisions of the 21st Congress CPSU, the workers of the Dagestan Council of National Economy assumed an obligation of fulfilling the state plan for 1959 ahead of time and of making a contribution to the fulfillment of the grandiose program of building the communist society.

A Plenum of the Central Committee CPSU took place in June of 1959 which discussed the problems pertaining to the work of the party and soviet organizations in the fulfillment of the decision made by the 21st Congress CPSU in the field of technical progress.

Decisions made by the Plenum of the Central Committee CPSU, its Appeal to the workers of the Soviet Union, the speech delivered by N.S. Khrushchev--all are documents of great historical significance. The Plenum of the Central Committee CPSU aimed our party and the Soviet people at an acceleration of technical progress, as a decisive condition for the successful fulfillment of the Seven Year Plan.

The workers of the Dagestan economic administrative rayon, just as all the workers of the country accepted the decisions of the June Plenum of the Central Committee CPSU with a great enthusiasm, considering them as a militant program for the technical development and perfection of our national economy.